



MICHIGAN LICENSED BEVERAGE ASSOCIATION®

Retailers dedicated to the responsible sale and service of beverage alcohol

Memo

To: Members of the House Committee on Regulatory Reform
From: Lance Binoniemi, Director of Government Affairs
Date: May 24, 2005
Re: Senate Bill 257

The Michigan Licensed Beverage Association (MLBA) would like to address our concerns with SB 257, which would extend the issuance of Resort liquor licenses in Michigan for 2005 and 2006.

- Resort licenses are permanent licenses, that are renewable each year, issued under statute (MCL 436.1531) in communities that have reached their quota established by the MLCC or have attempted to purchase a license in escrow but cannot for various reasons.
- Senate Bill 257 creates an additional 80 various new resort licenses across the state.
- Currently there are over 1,100 liquor licenses in escrow and available for new businesses to purchase at fair-market value.
- Licenses that are in escrow (meaning the license isn't currently being used) can be transferred anywhere within the county they are originally issued with the approval of the governmental unit where the license is going
- By offering these licenses at \$600, the value of current licenses is diminished and in some cases has caused smaller family-owned businesses to close.
- Current liquor licensees within the state have made significant investments into their establishments as well as the community.
- Resort licenses are permanent licenses issued under statute (MCL 436.1531) in communities that have reached their quota established by the MLCC or have attempted to purchase a license in escrow but cannot for various reasons.
- The MLBA understands the necessity to maintain the ability to extend the quota system in certain circumstances, but at an equitable price.
- The MLBA strongly supports a **minimum** flat rate charge of \$30,000 for new Resort licenses.